

EXECUTIVE CHAMBERS

HONOLULU

July 8, 2008

STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 2843

Honorable Members  
Twenty-Fourth Legislature  
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, House Bill No. 2843, entitled "A Bill for an Act Relating to Invasive Species."

The purposes of this bill are to: 1) expand the existing invasive species inspection, quarantine, and eradication fee to all imported freight, 2) change the basis for the fee computation from \$1 for each twenty-foot equivalent unit per container to 50 cents for every one thousand pounds of freight imported, and 3) clarify that the fee shall be paid by the person paying the freight charges to the transportation company.

The goal to enhance inspections for invasive species is laudable. However, this bill is objectionable because of its significant impact on the cost of living in Hawaii. The reconfiguration of this fee's computation from a calculation of twenty-foot equivalent unit per container to one based on weight will exponentially increase the fees for cargo coming into the State. These charges will indirectly be passed on to the consumer, who must pay more for goods in Hawaii each time a new tax, tariff, or charge is levied on products entering the State. In conjunction with the recent rise in transportation costs directly linked to the rise in fuel costs, this fee will have a serious impact on families and individuals already stretched with the burdens of rising prices for food, fuel, rent, and other necessities.

STATEMENT OF OBJECTIONS  
HOUSE BILL NO. 2843  
Page 2

Second, changing the method by which this fee is calculated will impact industries disproportionately. Carriers shipping food or other heavier goods will be subject to pay a much higher inspection fee, not necessarily because the cargo is a higher-risk commodity, but because it happens to weigh more than other freight packaged in the same sized container.

Third, last year my Administration vetoed the law that implemented the \$1 inspection fee that this bill now seeks to change; House Bill No. 1066 became Act 009 (Special Session, 2007). I vetoed this measure recognizing that the State of California was, and still is, considering placing a surcharge fee on all containers leaving its ports. The proposed fee would be substantial--\$30 per container, per movement into and out of Oakland, Los Angeles, and Long Beach. The majority of Hawaii's goods is shipped out of these ports and return to California. With this in mind, the increase in fees that would be set in motion by the enactment of House Bill No. 2843 not only undermines our message to persuade the California State Assembly not to impose its container tax, but would further discourage the necessary flow of goods into our state and financially impact the residents of our state who depend upon these goods.

For the foregoing reasons, I am returning House Bill No. 2843 without my approval.

Respectfully,

A handwritten signature in black ink, appearing to read 'Linda Lingli', written over a circular stamp.

LINDA LINGLI  
Governor of Hawaii